

PLANNING COMMISSION STAFF REPORT

REPORT DATE: February 8, 2007

AGENDA DATE: February 15, 2007

PROJECT ADDRESS: 116 E. Yanonali (MST2006-00361)

TO: Planning Commission

FROM: Planning Division, (805) 564-5470

Jan Hubbell, AICP, Senior Planner Peter Lawson, Associate Planner

I. PROJECT DESCRIPTION:

The proposed project includes demolition of an existing 7,343 square foot commercial building and construction of a 12,783 s.f. (net) mixed use, three story, 42 foot tall building. Six commercial units totaling 4,283 s.f. (net) and six residential dwellings, totaling 8,800 s.f. (net) are proposed. Four one-bedroom units and two two-bedrooms are proposed.

Approximately one half of the ground level portion of the building would have a plate height of approximately 20 feet and the other portion of the building would have a plate height of 11 feet. Above each of these ground level sections would be two more levels. The use of the ground level would consist of two commercial units, with the 20 foot plate height and a 15 space covered parking area, with the 11 foot plate height. A breezeway, opening onto Yanonali Street, would separate the two commercial spaces and lead to a central atrium that would be open above. Adjacent to the building, on the ground level, would be four additional parking spaces and a common open area.

The second and third level above the ground level commercial space would include two residential units per level. Above the parking garage, on the second level, there would be four commercial units and on the third level there would be two residential units. Interspersed between all of the commercial and residential spaces would be open walkways and private patios. A Modification to reduce the parking from the required 30 spaces to 19 spaces is requested. Access to the parking area would be provided by a driveway from Gray Avenue.

II. <u>BACKGROUND</u>

This is the first project being processed under the Ocean-Oriented Commercial (OC) Zone District, since it was adopted in 2005. Staff found there are two main differences between the OC Zone District and the previous Hotel and Related Commercial Zone (HRC-1). The first is the requirement that any residential development on lots greater than 5,500 square feet cannot exceed 70% of the total building floor area. The second difference is the elimination of the required front yard setback of 10 feet for a single story of not more than 15 feet in height or a 20 foot setback for all other buildings. Given the

floor plan of the proposed project and massing of the project on Yanonali Street, staff is requesting input from the Commission to provide direction to Staff and the applicant on the consistency with the OC Zone District. Any direction provided on this project will provide guidance for future projects in this area.

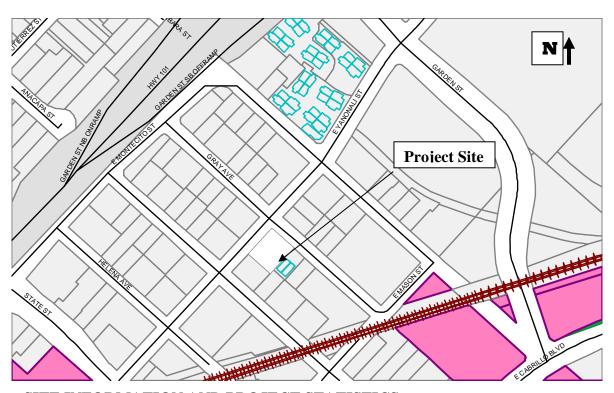
The project was initially reviewed under the City's Pre-Application Review Team process in August of 2006. Staff provided feedback on the project and consistency with the OC Zone District. The initial concerns expressed in staff's letter (See Exhibit C) centered on the Modification request to reduce the number of parking spaces and the massing of the structure on Yanonali Street. Staff requested a Parking Demand study and that the applicant work with the Architectural Board of Review (ABR) on the massing of the structure. The applicant submitted their project for review under the Development Application Review Team (DART) process in November of 2006, which was deemed incomplete (See Exhibit D). A second DART was submitted, which was also deemed incomplete on January 26, 2007. While reviewing the first DART application, staff raised additional concerns about the internal access between the proposed commercial spaces and the residential spaces. Staff continues to have a concern with the size, bulk and scale of the project. However, after review of the parking demand study, staff now supports the parking modification request.

III. REQUIRED APPLICATIONS

The discretionary applications required for this project are:

- 1. A <u>Modification</u> to allow a reduction of parking spaces from 30 to 19 (SBMC §28.92.026.A);
- 2. A <u>Coastal Development Permit</u> to allow the proposed development in the Non-Appealable Jurisdiction of the City's Coastal Zone (SBMC §28.45.009);
- 3. A <u>Tentative Subdivision Map</u> for a one-lot subdivision to create six residential/commercial condominium units (SBMC 27.07 and 27.13);

Vicinity Map



IV. SITE INFORMATION AND PROJECT STATISTICS

A. SITE INFORMATION

Applicant: Conceptual Motion	Property Owner:	DBN Yanonali LLC		
Parcel Number: 033-083-018	Lot Area:	11,900 square feet		
General Plan: Hotel & Related Commercial	Zoning:	OC/S-D-3		
Existing Use: Warehouse	Topography:	0-2%		
Adjacent Land Uses: North - Commercial South - Residential East - Commercial West - Commercial				

B. PROJECT STATISTICS

	Existing	Proposed
	None	Unit A – 1,385 s.f.
Living Area		Unit B − 1,196 s.f.
		Unit C – 1,614 s.f.
		Unit D − 1,553 s.f.
		Unit E $- 1,370 \text{ s.f}$
		<u>Unit F $-1,682 \text{ s.f.}$</u>
		Total – 8,800 s.f

Garage	None	6,033 s.f.
Commercial Area	7,343 s.f.	Unit A – 756 s.f. Unit B – 758 s.f. Unit C – 649 s.f. Unit D – 725 s.f. Unit E – 718 s.f Unit F – 677 s.f. 4,283 s.f.

V. ZONING ORDINANCE CONSISTENCY

Standard	Requirement/ Allowance	Existing	Proposed
Setbacks -Front -Interior -Rear Building Height Parking Commercial	None None None 45 feet 1/250 s.f	None None None 18 feet	Yanonali – 2 ft. & Grey - 0 None None 42.5 feet
Parking Residential	1.25/studio 1.5/1 bedroom 2.0/2 or more bedroom	N/A	6
Lot Area Required for Each Unit (Variable Density)	 a. Studio unit - one (1) unit per 1,600 s.f. of lot area; b. 1 bedroom unit - one (1) unit per 1,840 s.f. of lot area; c. 2 bedroom unit - one (1) unit per 2,320 s.f. of lot area; d. 3 or more bedroom unit - one (1) unit per 2,800 s.f. of lot area. 	N/A	2 – 2 bedroom units – 4,640 <u>4 – 1 bedroom units – 7,360</u> Lot Area Required 12,000 Parcel Size 11,900 <u>Lot Area Required 12,000</u> –100
10% Open Space		None/Commercial	10%
Private Outdoor Living Space (2 nd floor & above units)	Studio – 60 s.f. 1-Bedroom – 72 s.f. 2 – Bedroom – 84 s.f.	N/A	Unit A – 487 Unit B – 297 Unit C – 731 Unit D – 202 Unit E – 149 Unit F - 779

The proposed project would meet the requirements of the OC Zone District and the R-3/R-4 Zone District for the residential component, with the exception of a Modification for reducing the parking from the required 30 spaces to 19 spaces. Although as submitted, the project exceeds

the allotted density, the applicant verbally informed staff that they will reduce a 1 bedroom unit to a studio unit, which will reduce the required lot area total to 11,760 s.f.; thus, the project will comply with this provision. A parking demand study was provided and staff supports the reduction of parking spaces.

VI. <u>ISSUES</u>

A. MASSING OF THE PROJECT

Staff has concerns about the massing of the structure along Yanonali Street. This street is the significant connector street between State and Garden Streets on the north side of the railroad tracks. As one of the first projects under the OC Zone District, it will set the tone for future development. The OC Zone District and the Local Coastal Plan (See Exhibits F & G) both state that a project, among other things, must fit into the scale of the neighborhood and provide visual amenities. This is reflected in the intent of the OC Zone District as stated below:

Section 28.71.010: The regulations contained in this Chapter shall apply in the OC Zone unless otherwise provided in this Title. This zone strives to achieve balanced use of the City's Waterfront and maintain the small scale, local character that is unique to the Waterfront area. Land uses shall be encouraged in this zone that maintain and enhance the desirability of the Waterfront as a place to work, visit, and live. This zone is intended to foster a vital, mixed use neighborhood and preserve and protect the coastal environment in terms of light, air, and visual amenities.

While the applicant is providing a mixed use development, which is intended for the arts-related field, the development will replace a single story development with a development that will be among the largest in the neighborhood. This neighborhood includes a mixture of development from single story to three story structures. Some buildings provide varying setbacks from the street frontage, including unobstructed open space visible from the street and varying heights. Others were originally developed as warehouses with no setbacks from the street. The variability in building, height, style, and setback has contributed to the uniqueness of this area known as the "funk zone." In staff's review of the project, the question arose as to whether the proposed development should align with the few larger buildings or more in context with the surrounding neighborhood.

The parcel fronts on Yanonali Street and Grey Avenue, for a total lot area of 11,875 square feet. As proposed, the project would be approximately 42 feet in height, set back approximately two feet from Yanonali Street and extend approximately 100 feet from the western property line, ending at a common open space area. This common area would front the remaining 19 feet along Yanonali and 35 feet of Grey Avenue. The remaining 65 by 19 foot area along Grey Avenue would be occupied by both four uncovered parking spaces and an access driveway leading into the covered parking area (see Exhibit A).

The Architectural Board of Review (ABR) reviewed the project twice (see Exhibit E). The ABR recommended some changes, such as providing more of a human scale, defining the landscaping and lowering the height of the building. At the second meeting, the applicant provided responses to the ABR comments, including providing a lower height by approximately two feet. The project received a recommendation, with comments, to move forward to the Planning Commission. However, there were some mixed feelings on the massing of the structure. Some members felt that the building was in context with the other industrial buildings in the area; others asked that the building height continue to be studied.

As stated above, the front yard setback requirement was eliminated from the OC Zone District, but the maximum height of 45 feet was retained. The intent of removing the front yard setback was to allow more flexibility in designing buildings and providing open space on the site. While the building is set back from Grey Avenue by 19 feet to accommodate open space and parking requirements, staff continues to have concerns about the massing along Yanonali Street. The project reduces the openness along this street, which is inconsistent with the provisions of the Locating New Development section of the Local Coastal Plan (LCP) for maintaining openness, naturalness, rhythm and lack of congestion (see Exhibit G). Staff is seeking the Planning Commission's input on how new projects in the "funk zone" should be designed.

B. FLOOR PLAN CONFIGURATION

Based upon the proposed floor plan of the project, staff has concerns that the residential use may extend into the commercial space and thus be inconsistent with the OC Zone District. The OC Zone District is unique to City commercial zone districts in that there is a specific requirement to restrict the amount of residential use on lots greater than 5,500 square feet to 70% of the total building area. In other commercial zone districts, a completely residential project could be built, but it would comply with the provisions of a multi-family zone district for setbacks, open space, and other requirements. Based upon the square footage of the proposed project, staff found the project consistent with the required 70% residential or less section of the Ordinance. However, while the ratio of commercial square footage to residential square footage is consistent with the Municipal Code, as designed, there would be internal access between the residential and the commercial components, as well as external access. If the residential areas are used for commercial purposes, the OC limitations would not be exceeded, but additional parking would required. If commercial spaces are used for residential purposes, the OC limitations would be exceeded, as would the allowed density.

There are six residential units, with an average size of 1,200 square feet and six commercial spaces, with an average size of 700 s.f. proposed. A residential space and commercial space would be bound together as one condominium, creating a total of six mixed-use condominium units. The applicant is proposing this project to be "live/work" with the commercial space to be used for an arts related field, which is an allowed use in the OC Zone District. Further, the applicant has provided draft Conditions,

Covenants, and Restrictions (CC&Rs) which specify the allowed commercial usages, that the commercial space is not used for residential purposes and that the commercial space is not leased separately from the associated residential space, in addition to other restrictions (Exhibit H).

While staff appreciates that the applicant is volunteering to specify uses of the commercial spaces, it may be difficult to enforce or determine a change of use of the commercial space since there is no perpetual monitoring and a change of use may not require building permits. Typically, a change of use of a space requiring permits would involve additional plumbing, electrical or equipment requiring venting. In some cases building permits may be necessary, but are not obtained. Thus, it can difficult to ensure that the use will always remain as permitted. There is some additional control in the Coastal Zone because any increase in intensity of use requires a Coastal Development Permit.

C. PARKING MODIFICATION

Because the project proposes 19 parking spaces instead of the Zoning Ordinance required 30 spaces, the applicant request includes a parking modification. Based upon the current submittal, staff supports the reduction of spaces. Staff has included the parking modification under this Conceptual Review for your consideration. The number of spaces for the commercial component is based upon a Parking Demand Study, which recommends three spaces per 1,000 square feet of commercial space as opposed to four spaces per 1,000 square feet. The residential component typically requires parking spaces based upon the number of bedrooms per unit and guest parking based upon one for every four units. Based upon the commercial space being tied so closely to the residential use, staff supports one parking space per unit, with the commercial parking spaces providing additional guest parking for the evenings and weekends. As stated above, the CC&Rs have strict provisions on the use of the commercial spaces, as well as the use of the parking area. Staff is interested in Planning Commission's comments in this area given the LCP policy requiring that "all new development in the Waterfront Area... provide adequate off-street parking to fully meet their peak parking needs."

VII. RECOMMENDATION

Staff recommends that the Planning Commission conceptually review the proposed project and provide comments on the proposed discretionary actions required, specifically focusing on the massing of the building, the consistency with the Zone District, live-work design, and parking. Please note that this review is not meant to imply any approval of, or formal position on, the proposed project.

Exhibits:

- A. Site Plan
- B. Applicant's letter, dated February 2, 2007

- C. PRT Letter dated August 21, 2006
- D. DART Letter dated December 6, 2007
- E. ABR Minutes, September 11, 2006 & November 13, 2006
- F. Chapter 28.71 Ocean-Related Commercial Zone District
- G. Waterfront Area Aesthetic Criteria For New Development Assessment
- H. Draft Conditions, Covenants, and Conditions (CC&R's) [Article VII Use Restrictions] 116 E Yanonali Street

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EXHIBIT A

SITE PLAN

